2027

Operations Manual (OM)

Section I

FONTAGRO

1 FOREWORD

This Operations Manual (OM) has been prepared based on previous versions and updates resulting from decisions by the FONTAGRO Board of Directors, as well as the procedural guidelines and regulations of the Inter-American Development Bank (IDB) and the Inter-American Institute for Cooperation on Agriculture (IICA), FONTAGRO's sponsoring institutions. Its purpose is to clearly establish the guidelines and procedures governing institutional management, the operation of the Board of Directors, and the ad hoc committees that support it in implementing activities.

CONSIDERING that the Board of Directors has expressed its decision for IICA to assume management of all FONTAGRO operations approved after July 4, 2025, in accordance with the Minutes of the XXII Extraordinary Meeting of FONTAGRO held on July 2 and 4, 2025 (Item 5, numeral i), as well as the Minutes of the XXIX Annual Meeting held from October 7 to 9, 2025 (Item III); and that, consequently, all projects authorized for financing will be subject to the new operating model described in Section II of this Operations Manual. In this context, FONTAGRO is in a transition phase regarding its operation. Therefore, future decisions by the Board of Directors and the sponsors may modify or adjust the provisions of Sections I and II of this Operations Manual, as well as other operational aspects related to the projects financed by the Fund.

This document serves as an essential reference tool guiding the design, implementation, monitoring, and governance of operations, ensuring transparency, efficiency, and coherence for the benefit of member countries and the institutions participating in co-financed projects. The approval and modification of the Operations Manual, including policies and procedures related to the financing of operations, falls under the authority of the FONTAGRO Board of Directors, following the qualified voting mechanisms established in the Establishing Agreement (Article IV, Section 4, subsection b), ensuring decisions are adopted with the utmost institutional rigor.

Finally, it is recommended to periodically review the electronic links included in this publication to ensure access to the most recent versions of applicable policies, regulations, and formats.

Technical Administrative Secretariat

2 ACKNOWLEDGEMENTS

FONTAGRO wishes to express its sincere gratitude to its sponsoring institutions, the Inter-American Development Bank (IDB) and the Inter-American Institute for Cooperation on Agriculture (IICA), for their continuous support throughout the process of updating this Operations Manual.

Special recognition is given to the valuable collaboration of representatives from the IDB, including the Grants and Co-financing Management Unit (ORP/GCM), the Financial Management and Procurement Services Office (VPC/FMP), and the Legal Department; as well as the members of the FONTAGRO Board of Directors and the Technical Administrative Secretariat (TAS).

Likewise, FONTAGRO deeply appreciates the contributions of the researchers and the executing and co-executing agencies of the projects, whose commitment, experience, and feedback have been fundamental in refining the procedures presented herein. Their participation has allowed for the consolidation of a clearer, more efficient instrument aligned with the needs of the region.

Technical Administrative Secretariat

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ELECTRONIC LINKS

FONTAGRO

Link to institutional documents: FONTAGRO – Documents

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ABBREVIATIONS AND ACRONYMS

LAC	Latin America and the Caribbean
IDB	Inter-American Development Bank
BD	Board of Directors
EC	Executive Committee
FC	Finance Committee
TC	Technical Cooperation
FONTAGRO	Regional Fund for Agricultural Technology
IICA	Inter-American Institute for Cooperation on Agriculture
R&D&I	Research, Development, and Innovation
ISTA	Annual Technical Follow-up Report
OM	Operations Manual
MTP	Medium-Term Plan
AOP	Annual Operating Plan
TAS	FONTAGRO Technical Administrative Secretariat

3 PROCEDURES RELATED TO THE BOARD OF DIRECTORS

3.1 ABOUT FONTAGRO

1. FONTAGRO (Regional Fund for Agricultural Technology) is an alliance of 15 countries (Argentina, Bolivia, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, Honduras, Nicaragua, Panama, Paraguay, Peru, Spain, Uruguay, and Venezuela) established to support agricultural innovation in Latin America and the Caribbean through the allocation of non-reimbursable funds. Its sponsoring institutions are the Inter-American Development Bank (IDB) and the Inter-American Institute for Cooperation on Agriculture (IICA). It maintains strategic alliances with national, regional, and international agencies that facilitate and promote cooperation and the mobilization of R&D&I resources in the region. FONTAGRO's resources, together with contributions from organizations aligned with its mission, are used to co-finance, on a competitive and/or consensual basis, regional agricultural and agri-food research and innovation activities and projects, including special initiatives, that contribute to poverty reduction, increased productivity and competitiveness, and the sustainable management of natural resources. Furthermore, it expands its base of activities by supporting institutional consortia for public-public and public-private cooperation, strengthening synergies in agricultural research and innovation. Its mission, vision, strategic objectives, priority work areas, and regional investment opportunities are defined in the Medium-Term Plan, which covers a five-year period[1][2].

2. The **target population** for FONTAGRO projects includes public research agencies and institutes, non-governmental organizations (NGOs), agricultural producers, value chain actors, the private sector, and consumers in the region. Development banks and other agencies (both public and private) capable of locally scaling the technologies, developments, and innovations generated by the projects are also considered part of this target audience.

3. **Medium-Term Plan (MTP).** The FONTAGRO Medium-Term Plan (MTP) is a five-year plan that establishes the institution's vision, mission, and values, as well as the priority strategies to be implemented during the period. Its preparation is based on strategic and prospective studies to identify regional needs and opportunities, seeking to maximize the spillover effects of research and innovation, as well as economies of scale and scope. The Technical Administrative Secretariat (TAS) provides the Board of Directors (BD) with the necessary information to discuss and approve adjustments to the MTP, based on unpublished or available diagnoses. Within this framework, **FONTAGRO defines innovation** as ***"a participatory process by which individuals or organizations generate and/or use technological, organizational, and institutional knowledge that translates into new goods and services and that, once adopted by society, generates a social, economic, environmental, and/or cultural benefit"***. Based on this concept, FONTAGRO uses its own resources and other contributions on a competitive and/or consensual, non-reimbursable basis to finance regional projects and special agricultural research and innovation initiatives in the priority areas established in the current MTP.

3.2 ESTABLISHING AGREEMENT, ORGANIZATIONAL STRUCTURE, AND GOVERNANCE SYSTEM

4. The **Establishing Agreement** is the legal instrument creating FONTAGRO and defines its organizational structure. According to said Agreement and subsequent resolutions of the Board of Directors (BD), this structure consists of a Board of Directors, an Executive Committee, a Finance Committee, and a Technical Administrative Secretariat (TAS). The powers of the BD are detailed in Article IV of the Establishing Agreement, while those of the TAS are specified in Article V. As the technical and administrative support body, the TAS is responsible for organizing at least two annual meetings: the Project Technical Follow-up and Strategic Analysis Meeting (usually in June), which convenes BD directors, sponsors, and technical project representatives; and the Annual Meeting of the Board of Directors (usually in October), which brings together BD directors and FONTAGRO sponsors. The administrator of FONTAGRO is the Inter-American Development Bank (IDB), with powers listed in Article VI and the Administration Agreement of the Establishing Agreement. The Inter-American Institute for Cooperation on Agriculture (IICA) is a sponsor and co-administrator of the Technical Administrative Secretariat (TAS) of FONTAGRO and of projects, when so requested by the BD and accepted by IICA.

5. The **Executive Committee (EC)** was created at the Annual Meeting of the Board of Directors in Panama (2007) and is composed of the President, the Vice President, and the Executive Secretary. The EC may take operational and administrative decisions to expedite the approval process for contributions, bequests, assignments, and donations additional to FONTAGRO's resources, up to a maximum amount of US$50,000 (fifty thousand United States dollars)

[1] https://fontagro.org/en/nosotros
[2] https://nyc3.digitaloceanspaces.com/strapi-fontagro/publicacion_pmp_2025_2030_26_11_ENG_d6e56981a7.pdf

per annual period. The EC acts during the recess periods of the Board of Directors[3]. The functions of the EC are: i) Represent FONTAGRO in international or regional meetings; ii) Safeguard FONTAGRO's interests; iii) Periodically review FONTAGRO's progress, especially compliance with BD resolutions; iv) Negotiate, on behalf of the BD, cooperation agreements and activities with sponsors and potential partners; v) Make decisions on behalf of the BD for approvals or budgetary changes of less than US$50,000 per annual period, with the obligation to report to the full BD as soon as possible; and vi) Advise the TAS when required. EC members must participate in meetings to which they are summoned, either in person or virtually.

6. The **Finance Committee (FC)** was created at the Annual Meeting of the Board of Directors in Panama (2011) and is composed of the President, the Vice President, and a member of the BD. The latter member is renewed annually at the decision of the BD. Additionally, a representative of the sponsors and the Executive Secretary participate with a voice but no vote. The FC is assisted by a financial advisor hired by the TAS when necessary. Its main function is to follow up on FONTAGRO's financial aspects, including formulating investment policy, reviewing financial statements, and making budgetary recommendations[4]. The functions of the FC are: i) Define FONTAGRO's investment parameters: expected returns, risk levels, and the combination of instruments and terms; ii) Select the financial advisor; iii) Analyze and evaluate the financial advisor's recommendations and agree on appropriate measures; iv) Review reports on investment performance, evaluate them, and agree on any necessary changes; v) Report to the BD on investment performance; vi) Participate in financial management training activities; and vii) FC members must participate in meetings to which they are summoned, either in person or virtually.

7. **Ad Hoc Committees.** The BD may request the TAS to organize ad hoc committees with members of the Board of Directors, delegates thereof, and other special guests, to support and strengthen FONTAGRO's objectives and its annual programming. These Committees must be established through Minutes of the BD, defining the objective, composition, duration, participant profile, work mechanism, products, and expected results.

3.3 PAYMENT OF CONTRIBUTIONS, PROCEDURES FOR THE ADMISSION OF NEW MEMBERS, AND MANAGEMENT OF STRATEGIC ALLIANCES

8. **Payment of contributions by FONTAGRO Members.** Those Members that have not complied with their commitment must agree with the Board of Directors on a **payment schedule** for the contribution owed, as referred to in Section 2(i) of Article II (the "Contribution Schedule") of the Establishing Agreement.

9. **In the case of receiving applications for the admission of new members to FONTAGRO** (Establishing Agreement, Article I, Section 3), the procedure is as follows:

   i. The country interested in joining FONTAGRO as a "member" must send a letter of intent to the BD President through the FONTAGRO TAS.

   ii. The BD President, through the TAS, will notify the other members regarding the application for admission, indicating the corresponding membership amount in accordance with Table 1.

   iii. The BD will decide whether to authorize the continuation of the membership process according to the power conferred by the Establishing Agreement (Article IV, Section 2, subsection "d") and following the corresponding voting method (Article IV, Section 3, subsection "c"). The result of the BD decision will be transmitted to the IDB[5].

      a) If the BD authorizes continuing with the admission process, the TAS will send a note indicating the minimum membership quota and requesting: (a) a payment schedule indicating the source of financing, and (b) an official delegation note from the corresponding national authority, authorizing the new institution to exercise official representation functions on the FONTAGRO BD on behalf of the country to which the new institution belongs.

      b) If the BD does not authorize continuing with the membership process, the TAS will send a note indicating such decision.

   iv. If the new member accepts the membership conditions, it must officially communicate the decision to the TAS. Conversely, if it has any objection regarding any of the indicated conditions, it must submit them to the TAS specifying the supporting arguments.

[3] Resolution 02/2007 of the Board of Directors, regarding the creation of the Executive Committee.

[4] Recommendations for financial investments must be framed within the IDB's financial guidelines and policies.

[5] Any new membership must be analyzed by the Bank in accordance with its applicable policies and regulations.

Table 1. Membership fee guide

GROUPS	Country	Total Value Indices (TVI) [2]	Current commitment (US$)	New commitment (US$) [3]	Base quota [4]
GROUP I: TVI < 100					
1	Spain	**53**	14,723,000	2,500,000	15,000,000
1	Mexico	**83**			
1	Brazil	**90**			
1	Argentina	**91**	20,000,000		
GROUP II: TVI 100 to 150					
2	Chile	**103**	2,500,000	2,500,000	7,000,000
2	Colombia	**119**	10,000,000		
2	Peru	**139**	2,500,000		
2	Panama	**145**	5,000,000		
GROUP III: TVI 150 to 200					
3	Dominican Rep.	**151**	2,500,000	2,500,000	5,000,000
3	Uruguay	**154**	5,000,000		
3	Costa Rica	**166**	681,000		
3	Ecuador	**167**	2,500,000		
3	Guatemala	**195**			
GROUP IV: > 200					
4	Paraguay	**207**	2,500,000	2,500,000	2,500,000
4	Bolivia	**211**	2,500,000		
4	El Salvador	**224**			
4	Honduras	**243**	2,500,000		
4	Nicaragua	**252**	2,500,000		
4	Venezuela	**484**	12,000,000		

Note: (1) This Membership fee guide was agreed by consensus by the FONTAGRO Board of Directors at the XXII Annual Meeting of the Board of Directors on October 4 and 5, 2018, in Guayaquil, Ecuador. ITEM 11. (2) The development index was constructed according to the country's ranking in total GDP, the country's ranking in GDP per capita (both in international dollars and purchasing power parity, calculated by the International Monetary Fund), and the Human Development Index (HDI) of each country. (3) Indicates the estimated value of potential new contributions that may be requested. (4) Indicates the estimated amount of base membership quota for a new participant.

v. The TAS will present the communication to the other FONTAGRO BD representatives, and the BD, in accordance with Article IV, Section 2, subsection "d" and Section 4, subsection "c", will authorize or deny the request.

vi. If the FONTAGRO BD, after the weighted vote, accepts the conditions of entry for the new participant, proceedings will continue with the IDB Legal Department to handle internal arrangements for signing the Establishing Agreement and collecting the initial and subsequent membership quotas.

10. **In the case of receiving requests for new strategic alliances**, the procedure is as follows:

i. The legal entity interested in entering into a strategic alliance with FONTAGRO must send a letter of intent to the BD President through the FONTAGRO TAS.

ii. The TAS will notify the BD of the request for entry of a new participant, indicating the conditions of the alliance.

iii. The BD will decide whether to authorize continuation of the alliance process according to the power conferred by the Establishing Agreement (Article IV, Section 2, subsection "o"). This power is subject to qualified voting (Article IV, Section 4, subsection "b"). The notification will also be transmitted to the IDB, legal representative of FONTAGRO[6].

a) If the BD authorizes continuing with the alliance process, the President, through the TAS, will send a note indicating acceptance and will instruct the TAS to work with the IDB Legal Department on drafting the corresponding legal instrument, in accordance with the Bank's policies and procedures.

b) If the BD does not authorize continuing with the alliance process, the President, through the TAS, will send a note indicating the decision to the applicant.

[6] A quorum is established only in in-person meetings of the BD. However, if the BD considers it appropriate, this Operations Manual could also authorize a quorum with virtual presence as an option, considering that the BD meets only twice a year.

3.4 PROCEDURES FOR REQUESTING VIRTUAL VOTING

11. **Request.** The TAS may request the BD to hold a virtual vote to address specific issues outside the agenda of regular meetings, with prior agreement from the members of the Executive Committee. The request will be based on the provisions of Article IV, Section 3 of the Establishing Agreement.

12. **Virtual voting mechanism.** Voting may be implemented through two mechanisms: i) the submission of a vote via email or similar technology, or b) the submission of a vote through a video conference meeting.

    a) **Virtual voting mechanism by email or similar technology.** The TAS will indicate, in the request note, the date until which voting will remain open. Once said deadline has passed, the votes received will be taken as a quorum and the corresponding voting mechanism will be applied, in accordance with Article IV, Sections 3 and 4 of the Establishing Agreement.

    b) **Virtual voting mechanism by video conference.** The TAS will organize a video conference meeting, and the provisions of Article IV, Section 3 and Section 4 of the Establishing Agreement will apply.

13. **Minutes.** The approval of the minutes will be carried out according to the voting mechanism implemented.

    a) Virtual voting mechanism by email. In the event that voting is by email, the minutes will be considered approved on the date on which the responses received at the TAS constitute a quorum, in accordance with the provisions of Article IV, Section 3 of the Establishing Agreement.

    b) Virtual voting mechanism by video conference. In the case of a video conference meeting, the minutes will be approved during the meeting.


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